A Modern Approach to Capital Program Oversight

A playbook for state and local agencies that need stronger cost control, clearer hierarchy, and trustworthy executive-ready reporting

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You're responsible for multiple programs–not just individual projects.

That means maintaining governance while coordinating work across departments, funding sources, and delivery partners.

All while facing public scrutiny and funding constraints.

This playbook outlines three areas to improve oversight of your capital program portfolio.

Cost

Track exposure early, not just after dollars are spent

Hierarchy

Structure the portfolio around how the agency actually governs work

Analytics

Turn reporting into a dependable system output

Who is this for?

Public works and engineering leaders, finance teams, and IT stakeholders supporting capital delivery for states, counties, cities, utilities, transportation agencies, and public authorities.

Keeping control without losing visibility

When capital program systems are disconnected, most agencies end up with one of two problems.

Control without visibility

You have your approvals processes, and you have documentation. But forecasting is still slow, your team is building reports manually, and leadership still can't see the full picture.

Visibility without control

You also have dashboards and status reports. But information is inconsistent and often outdated, approvals happen offline … and are you truly confident in your audits?

You need:

strong controls at the project level

&

clear visibility at the portfolio level.

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Cost Control:
See your full exposure

It's not just invoice tracking. Cost control means understanding budgets, mixed sources of funds, commitments, and funding limitations early enough to act.

Where agencies get stuck

The breakdown usually comes from familiar issues: Cost data often lives in email and spreadsheets, while funding rules vary by source and project type.

Forecasting depends on a few people who know where things are, and higher-level portfolio reporting is slow or non-existent because project-level data is not structured consistently. Sound familiar?

What "good" looks like:

You can trace budget to commitment to invoice with approvals, documentation, and a clear audit trail.

- You know where you are over-committed.
- You know which projects are driving forecast movement.
- You know where pending change exposure is growing.
- You know which funding deadlines are most at risk.
- You know what needs intervention now, not next quarter.

Three ways to improve cost control

1 Standardize cost data that needs to be comparable

Every project should support, at minimum:

- Budget structure and cost coding
- Commitment and change tracking
- Invoice workflows
- Tagging funding sources

2 Be flexible without creating inconsistent data

Allow project-level variation for:

- Workflow steps by delivery method or project type
- Delegation of authority thresholds
- Required documents by funding source

3 Prioritize the cost views your stakeholders need

Most agencies don't need more reports. They need reliable answers in three areas:

- Budget vs. forecast by program, department, and year
- Change exposure including approved and pending changes
- Funding utilization by source, project, and deadline

Hierarchy: Align system structure to your agency's processes

Does your current project management tool reflect how your organization actually works?

Your leadership team may think in terms of districts, asset types, fiscal years, or bond cycles. But if your PM software hierarchy doesn't support those views, you're probably rebuilding similar reports every time something changes.

Why hierarchy matters

Your portfolio probably doesn't include just one kind of project. Your teams may be touching roads, utilities, facilities, resiliency work, deferred maintenance, and major capital improvements.

It's not a one-size-fits-all process, and your projects shouldn't be forced into a flat structure just to fit your software.

Strong hierarchy lets you roll up and drill down. Your leadership team can make strategic decisions at a higher level while project teams manage operational details.

What "good" looks like:

You can roll up projects according to the way your agency is organized or accountable.

- Department
- Region or district
- Asset type
- Fiscal year or other funding cycles
- Funding source or grant program

Three ways to improve hierarchy

1 Map your hierarchy in plain language

Start with how your leadership currently asks questions:

- What is happening in District Three?
- What is the status of this year's water infrastructure work?
- What is funded through the end of this year, versus next fiscal year?
- Which programs carry the highest delivery risk?

2 Design for roll-up and drill-down

Your structure should support:

- Portfolio dashboards for leadership
- Drill-down for project teams
- Consistent reporting definitions across departments

3 Build for comparison across unlike projects

Separate "governance layers" from "project layers." For example:

- **Governance layer:** Department > Program > Funding bucket
- **Project layer:** Project > Phase > Contract package

This creates consistent reporting while project teams manage delivery details.

3

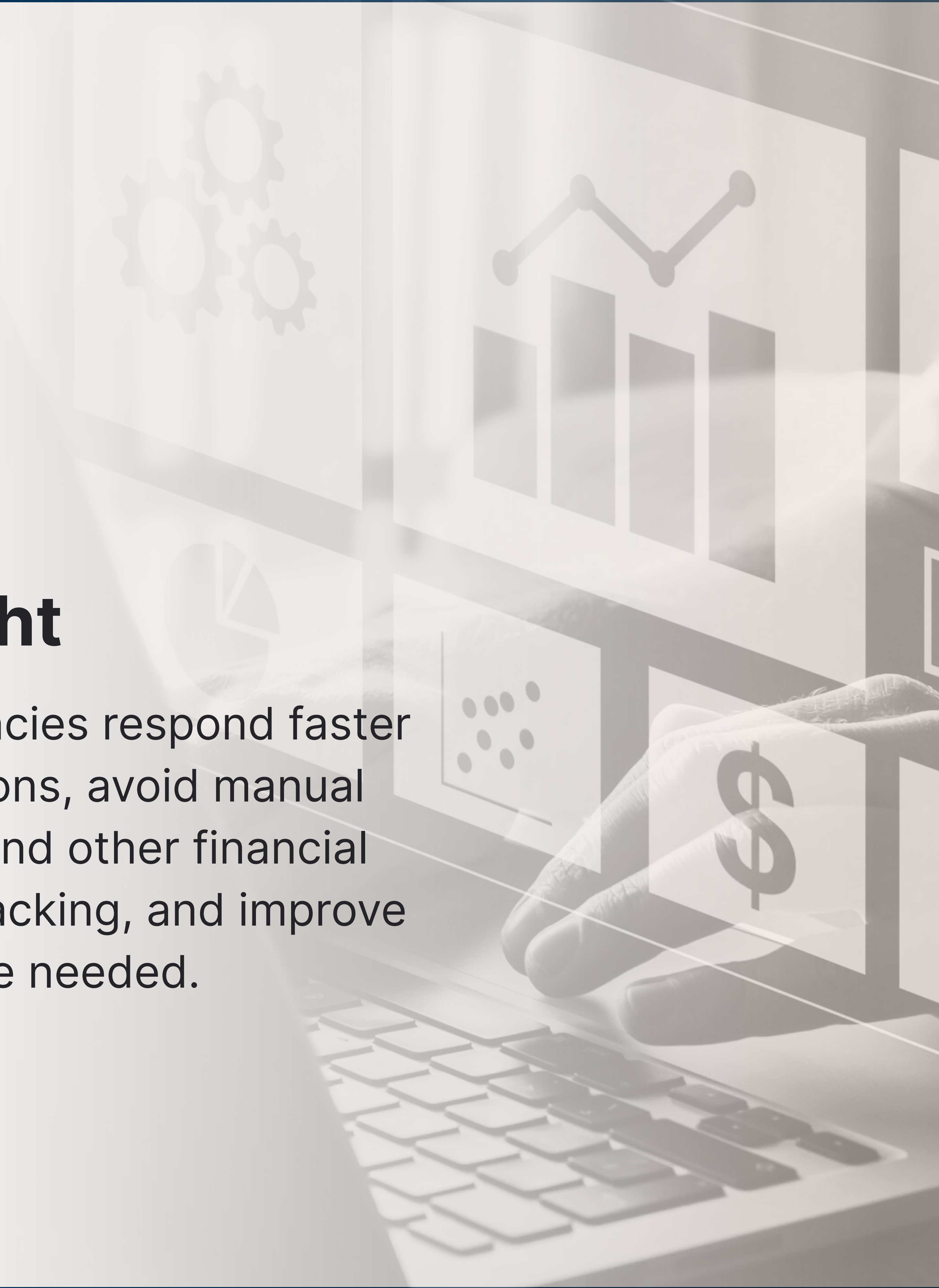
Analytics: Make reporting systematic

In too many public sector organizations, reporting is still done manually at the end of the month, quarter, or cycle. This creates lag, inconsistency, and risks that are avoidable.

If each new leadership question triggers a new reporting fire drill, your problem is not the number of reports. It is probably the lack of accurate, consistent data.

Better analytics improve oversight

Better analytics help agencies respond faster to board and audit questions, avoid manual reporting, support grant and other financial reporting with stronger backing, and improve public transparency where needed.



What "good" looks like:

You can spot trends and issues early, not after the deadline.

- [x] Forecast movement
- [x] Change orders
- [x] Funding drawdown against plan
- [x] Payment bottlenecks
- [x] Projects needing executive attention

Three ways to improve analytics

1 Start with an MVP

These four views cover most portfolio oversight needs:

- Portfolio health for cost, schedule, and risk
- Funding status by source, project, and program year
- Executive forecast against baseline
- Action list of top risks and pending decisions

2 Define metrics once

Analytics can only be trusted when they are defined consistently, everywhere. Set one single agreed-upon definition for:

- Forecast
- Committed cost
- Approved change
- Program hierarchy
- Reporting status

3 Ensure reporting is board-ready

Aim for outputs that can support:

- Board packets
- Audit requests
- Grant reporting
- Public transparency summaries, when necessary

Quick Self-Assessment

Rate each statement from 1 to 5.

Cost

1. We can trace budget to commitments to invoices consistently. ☐
2. We can see exposure across the portfolio. ☐
3. Funding sources are reportable without manual rework. ☐

Hierarchy

1. We can roll up projects by program, department, and year. ☐
2. Different project types can follow different governance rules. ☐
3. Reporting stays consistent even when workflows vary. ☐

Analytics

1. Leadership can access portfolio dashboards without manual compilation. ☐
2. Definitions are consistent across teams. ☐
3. We can drill from portfolio signals into project details quickly. ☐

Score guide

12–20: Keep going. You're building the foundation.

21–40: You're getting close! Focus on standardization and hierarchy design.

41–60: Great job! Your agency is well positioned for portfolio-level decision-making.

What to do next

If your goal is to keep strong governance while improving portfolio visibility, start with one move you can implement in the next 60 days:

- Standardize cost and funding definitions
- Confirm a hierarchy that matches how leaders govern the portfolio
- Build a minimum viable dashboard pack

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State and local agencies use Kahua's project management platform to connect cost control, portfolio hierarchy, and reporting in one system of record.

With Kahua, you can:

- Connect budgets, commitments, changes, invoices, and funding
- Support roll-up and drill-down reporting ac ross departments and project types
- Standardize controls while allowing flexible workflows
- Build executive dashboards from live project data
- Improve audit readiness and public accountability with stronger traceability

Customer Snapshot

Pennsylvania Turnpike Commission

PENNA
TURN
PIKE

The Pennsylvania Turnpike Commission needed a better way to control their expanding capital projects.

As projects became more complex, their aging, outdated project management system couldn't connect data across multiple systems, or keep up with communication between their internal teams and external partners.

They selected Kahua as a more flexible project management platform that fits business processes, integrates with existing systems, and automates reporting.

Ready to get more visibility and control over your capital portfolio?

Talk to an expert

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